

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 16-270

Organization: Chicago Mercantile Exchange Inc. ("CME")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 06/30/16 Filing Description: Amendments to CME Rule 280H.02. ("Cash Settlement") of the Cleared OTC U.S. Dollar/Malaysian Ringgit (USD/MYR) Spot, Forwards and Swaps Contract.

**SPECIFY FILING TYPE**

Please note only ONE choice allowed per Submission.

**Organization Rules and Rule Amendments**

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers: CME Rule 280H.02.

**New Product**

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

**Official Product Name:**

**Product Terms and Conditions (product related Rules and Rule Amendments)**

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

**Official Name(s) of Product(s) Affected:**

**Rule Numbers:**

June 30, 2016

**VIA ELECTRONIC PORTAL**

Mr. Christopher J. Kirkpatrick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**Re: CFTC Regulation 40.6(a) Certification. Notification Regarding Amendments to CME Rule 280H.02. ("Cash Settlement") of the U.S. Dollar/Malaysian Ringgit (USD/MYR) Spot, Forwards and Swaps Contract. CME Submission No. 16-270**

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME"), a registered clearing organization ("DCO") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying amendments to CME Rule 280H.02. ("Cash Settlement") of the U.S. Dollar/Malaysian Ringgit (USD/MYR) Spot, Forwards and Swaps contract (the "Contract") effective Sunday, July 17, 2016 for trade date Monday, July 18, 2016.

Specifically, CME is amending CME Rule 280H.02. to reflect a change in the rate source and the publication time to align the USD/MYR Spot, Forwards and Swaps with cash market practices. These amendments are provided in Appendix A in blackline format. There is no open interest in the Contract.

CME reviewed the DCO core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or "Act") and identified that the modifications may have some bearing on the following Core Principles:

- Recordkeeping: Trading volume, open interest and settlement price information for the Contract will continue to be published daily on the CME Group website.
- Public Information: As required by this Core Principle, CME will issue a Special Executive Report ("SER") regarding these aforementioned amendments to notify the market authorities, market participants, and the public so that they have accurate, up-to-date information regarding the Contract. The SER will also be posted on the CME Group website.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), CME hereby certifies that the amendments to CME Rule 280H.02. comply with the Act, including all regulations under the Act. There were no substantive opposing views to this proposal.

CME certifies that this submission has been concurrently posted on the Exchange's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

Should you have any questions concerning the above, please contact the undersigned at (212) 299-2200 or [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Appendix A: Amendments to CME Rule 280H.02. (blackline format)

## Appendix A

### CME Rulebook

#### Chapter 280H

#### Cleared OTC U.S. Dollar/ Malaysian Ringgit (USD/MYR) Spot, Forwards and Swaps

(Additions are underlined; deletions are ~~struck through~~.)

##### 280H.02. CASH SETTLEMENT

###### 280H.02.A. Day of Cash Settlement

Each Cleared OTC Contract, for the valid value date for cash settlement in two Business Days, shall be liquidated by cash settlement at a price equal to the daily Final Settlement Price (FSP) for that day. The daily Final Settlement Price shall be equal to the "MYR PPKMKL REF (MYR034)," which is the "Malaysian ringgit per U.S. dollar" spot exchange rate spot rate at ~~443:430~~ ap.m. Kuala Lumpur time (~~01:430~~ pm. CT on the preceding evening), expressed as the amount of Malaysian ringgit per one U.S. dollar, for settlement in two Business Days, reported by ~~Persatuan Pasaran Kewangan Malaysia (ACI - Malaysia)~~ Bank Negara Malaysia, which appears on Thomson Reuters Screen MYRFIX2 Page at approximately ~~443:430~~ ap.m., Kuala Lumpur time, on that Rate Calculation Date, rounded to four (4) decimal places. This rate is used widely by the interbank foreign exchange market to cash settle non-deliverable forward contracts for Malaysian ringgit versus U.S. dollars. All open positions for that valid value date for cash settlement will be cash settled in U.S. dollars based upon the difference between the Final Settlement Price for the valid value date for cash settlement and the original trade price as submitted for clearing times the notional value of the transaction in USDs divided by Final Settlement Price. In the event, this U.S. dollar amount is positive, then the Clearing House shall debit the seller's clearing member account and credit the buyer's clearing member account for this amount in U.S. dollars. In the event, this U.S. dollar amount is negative, then the Clearing House shall debit the buyer's clearing member account and credit the seller's clearing member account for this amount in U.S. dollars.

For example, if the "MYR PPKMKL REF (MYR034)," for the valid value date for cash settlement in two Business Days, is as follows: MMMMM, DD - YYYY is 3.012300 MYR per USD," and the original trade price submitted for clearing by clearing firms of the buyer and seller was 3.030801 MYR per USD for a notional amount of 100,000 USD, then the Clearing House on the Business Day following the valid value date for cash settlement shall debit the clearing members account for the buyer with US\$614.18 (*i.e.*,  $3.012300 \text{ MYR per USD} - 3.030801 \text{ MYR per USD} = (-0.018501 \text{ MYR per USD} \times 100,000 \text{ USD}) / 3.012300 \text{ MYR per USD} = -\$614.18$ ). Similarly, the Clearing House on the Business Day following the valid value date for cash settlement shall credit the clearing member account for the seller with US\$614.18.

###### 280H.02.B. Procedures if No Cash Settlement Price is Available

In the event that the "MYR PPKMKL REF (MYR034)" Malaysian ringgit per U.S. dollar rate for a valid value date for cash settlement is not published on a given day by ~~Persatuan Pasaran Kewangan Malaysia (ACI - Malaysia)~~ Bank Negara Malaysia, and in order to minimize basis risk between the U.S. dollar / Malaysian ringgit cleared only contracts and the non-deliverable forward ("NDF") market, the Exchange shall determine a Final Settlement Price based on the SFEMC MYR Indicative Survey Rate (MYR02), when available. The SFEMC MYR Indicative Survey Rate Methodology follows this chapter in an Interpretation. In the event that the MYR PPKMKL REF (MYR034) Malaysian ringgit per U.S. dollar rate is not published on a valid date for cash settlement and the SFEMC MYR Indicative Survey does not provide a rate, then the Final Settlement Price will be determined pursuant to Rule 812.